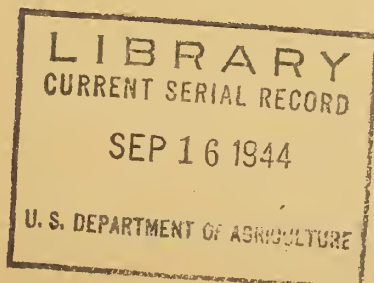


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FLUID MILK SUBSIDY PAYMENTS - PROGRAM SYMBOL LCS-5a

The Fluid Milk Payment Program is a continuation from July, 1944 through June, 1945 of the former Fluid Milk Purchase and Resale Program. The need of this program first arose and now continues because of a conflict resulting from an increase in prices of milk to the producers and the maintenance of fixed wholesale and retail price ceilings as established by the Office of Price Administration. The program was designed to assist in maintaining or securing prices to fluid milk producers considered necessary for obtaining a sufficient output of milk for fluid consumption without increasing the cost of milk to consumers. Increases in prices to producers have been granted in the Washington, Philadelphia, Omaha - Council Bluffs, Baltimore, Philadelphia suburban Areas, and Pennsylvania Areas Nos. 4, 6, 8, and 12, and the Wilmington Area. All these price increases were considered necessary to assure the production of adequate supplies of milk. Ceilings for wholesale and retail prices for fluid milk had been established nationally. The maintenance of these ceilings necessitated the establishment of the program. The program provides for its use upon recommendation of the Office of Price Administration in any market having a population of 50,000 or more where an increase in prices paid producers for milk has taken place which would otherwise require an increase in retail prices to more than 14¢ per quart. Subsidy payments will be made under the program only in specified areas where determined to be necessary, and will be applicable to all milk distributed in such areas for consumption as fluid milk. Claims will be presented monthly to the Milk Marketing Administrator, who will approve them for payment prior to forwarding them to the Regional Finance Office of the Office of Distribution Region in which the program is being administered. The amount of milk distributed, as evidenced by the claim, is subsequently verified by audits of the handler's records performed by the Milk Marketing Administrator. Accounts shall be maintained to reflect the quantity and amount of payments under the program by Milk Marketing Area, except, however, Philadelphia Areas Nos. 4, 6, 8, and 12, shall be maintained as one area account. In general, the accounting for this program shall be performed in accordance with procedure prescribed under Finance Instructions 561.7, 562.7, 563.7, 564.7, and 569.7.



Program Accounting
General
Subsidy Programs

